

Houthi attacks in the Red Sea: why maritime trade is (still) not smooth sailing

Coface

Two years ago, on November 19, 2023, the Galaxy Leader, a Bahamian-flagged roll-on/roll-off ship chartered by the Japanese company Nippon Yusen, was attacked by the Houthis in the Red Sea. Less than two months after the start of the conflict between Hamas and Israel, this episode marked the beginning of a series of more than 100 attacks on commercial vessels in the area, claimed by the Yemeni organization in support of Hamas.

Key figures

- **12% → 9%:** share of global maritime traffic passing through the Suez Canal, which has been falling since the Houthi attacks in 2023.
- **90%:** decline in container ship traffic through Suez in 2024.
- **+80%:** increase in freight rates between Shanghai and Rotterdam between 2023 and 2025

Maritime routes under pressure: the Suez Canal losing momentum

After this episode, many commentators highlighted the vulnerability of the routes on which international trade relies. And with good reason: these attacks led shipping companies to avoid the Red Sea and the Arabian Sea, the gateway to **the Suez Canal, through which nearly 12% of international maritime traffic then passed. Today, that share has fallen below 9%.** Container shipping, which is the dominant mode of transport with nearly half of the tonnage transiting through Suez in 2022, was the most affected by these diversions. It recorded a spectacular drop of **90% in 2024** and continued to decline this year. The decline in volume recorded for bulk carriers and oil tankers was half as much.

Costly detours: the domino effect on delays and prices

The redirection of container flows, mainly from Asia to Europe, via the Cape of Good Hope extends journeys by around ten days, **bringing the total time to 40 to 50 days to connect the two continents.** But beyond longer voyages, the Houthi attacks have mainly led to increased costs (fuel, crews) and a need for more ships to ensure constant service. These factors have contributed to an increase in freight rates on the route between Shanghai and Rotterdam. After increasing sevenfold between November 2023 and July 2024, with implications for global rates, they remained significantly higher than before the attacks began (+80% in January-October 2025 compared to the same period in 2023).

Despite this, global trade between the two continents has held up well. In 2024, container volumes between East Asia and Europe grew at a similar pace to global trade. And according to forecasts by the United Nations Conference on Trade and Development (UNCTAD), container trade between the two regions is expected to outperform global trade this year.

Number of ships transiting through Cape of Good Hope & Suez Canal

30-day moving average



Source: Fonds Monétaire International, Macrobond, Coface

[Data for the graph in .xls format](#)

Resilient global trade thanks to strategic adjustments

Beyond European consumers' appetite for Asian products, this performance would not have been possible without adjustments on the part of shipping companies. Fortunately, these carriers had placed numerous orders with shipyards in the years leading up to the start of the Houthi attacks. As a result, the global container ship fleet was able to grow rapidly last year and this year. More importantly, they focused deliveries of new ships on routes connecting East Asia to European ports. **These routes accounted for nearly 25% of global container ship capacity in November 2025**, compared with just 21% in May 2023, a few months before the Houthi attacks began.

Return to normal and risk of congestion

Just as a new balance seemed to have been established, the ceasefire between Hamas and Israel, in effect since October 10, now opens up the prospect of commercial ships returning to the Suez Canal. Unlike what we saw two years ago, this would reduce travel times and the number of ships needed to provide services. This could lead to a return to normal freight rates. For the time being, the resumption of traffic through the canal is only tentative. However, if a sudden and massive influx of ships were to occur in the coming weeks or months, it could, on the contrary, cause further logistical disruptions and a surge in freight rates. This would quickly lead to a sharp increase in ship arrivals at European ports. However, port operations are already running at full capacity in this area. The risk of congestion is therefore real. On the other side of the globe, the European bottleneck would lead to container shortages in Asia.

In short, maritime trade is not about to return to normal!

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